

306 KAR 2:010. Economic development bond project reporting requirements.

RELATES TO: KRS Chapter 152

STATUTORY AUTHORITY: KRS Chapters 13A, 152

NECESSITY, FUNCTION, AND CONFORMITY: KRS Chapter 152 provides that all economic development bond projects shall be presented to the General Assembly Capital Projects and Bond Committee (hereinafter "committee") for review and recommendation prior to the issuance of bonds. This administrative regulation is being amended to comply with the deficiencies found during quadrennial review by the Task Force on Economic Development.

Section 1. Definitions of terms or phrases used in this administrative regulation relating to the issuance of economic development bonds are the same as those stated in applicable sections of KRS Chapter 152.

Section 2. The cabinet shall submit the following information to the committee prior to its consideration of economic development bond projects:

- (1) A copy of the written commitment from the public or private organization which has requested state bonds and a copy of the final proposed written agreement between the cabinet and the public or private organization requesting state bonds;
- (2) The project estimated job creation and job retention;
- (3) The estimated percentage of public and private local involvement;
- (4) The projects estimated payback and contribution in retiring the associated debt obligation;
- (5) The amount of the proposed funding;
- (6) The terms of repayment including the interest rate, term, and schedule of payments;
- (7) An explanation of the funding terms;
- (8) The degree to which the project would compete with similar businesses within the area;
- (9) A list of the principal owners, partners, and stockholders that own twenty (20) percent or more of the business, and of the officers and directors of the project to be funded.

Section 3. A written report shall biennially be submitted by the cabinet with the budget request that includes the amount of economic development bond fund proceeds still available, the amount of interest earned on unused proceeds, any refundings of economic development bonds, a list of loans, grants or other forms of assistance made and to whom, the original and remaining amount of each loan, the principal and interest repaid in that fiscal year and the disposition of these funds.

Section 4. The cabinet shall annually prepare and submit to the committee a written report which evaluates each economic development bond fund project which has been funded by said cabinet under the criteria stated in Section 2 of this administrative regulation. This report shall evaluate in summary fashion the nature of the financing provided on each project and compliance of the organization that requested state bonds with the agreement it entered into with the cabinet. This report shall also delineate the amounts paid back from projects and the remaining balance outstanding. (15 Ky.R. 692; eff. 10-7-88; Am. 18 Ky.R. 2881; 3194; eff. 4-14-92.)